

**MAYOR AND CITY COUNCIL
CITY OF SEAT PLEASANT
SPECIAL MEETING
WEDNESDAY, MARCH 27, 2013
5:30.M.**

1. OPENING

1.1.1 Call to Order

Council President Porter called the meeting to order at 5:45 p.m.

1.1.2 Roll Call

Present: Mayor Eugene Grant, Councilmember Johnie Higgs, Sr., Councilmember Eugene Kennedy, Councilmember Kelly Porter, Councilmember Gerald R. Raynor, Sr., Councilmember Elenora Simms, Councilmember Aretha Stephenson, Councilmember Reveral Yeargin

Staff: Dashaun N. Lanham, City Clerk

2. PRESENTATIONS:

- None

3. MEETING TOPICS:

3.1.1. City Center Project Term Sheets Overview

- Mayor Grant thanked the City Center Project Committee members for their hard work in meeting and reviewing the documents and asking questions.
- Mayor Grant stated that the Committee gave an approval to ratify the document with the overall approval by Resolution on Monday, April 1, 2013.
- Mayor Grant stated that the City Attorney Lindsey Rader will be in attendance of the Regular Work Session on Monday, April 1, 2013 to answer any questions the Council may have regarding the documents.
- Mayor Grant provided a history of the condition of the Feggans Center, which was in a state of disrepair and the City Council voted to close the facility in 2009.
- Mayor Grant stated that two studies provide a cost for repair of 5 Million dollars.
- Mayor Grant stated that the City had received a bond bill in the amount of \$225,000.

- Mayor Grant stated that the City had hired three consulting firms for the project, which consisted of Arel as the Architect, Dewberry as the Technical Writing Firm and Blaylock as the Financial Advisors.
- Mayor Grant requested Councilmember Kennedy to find a replacement for Ward 5 to serve on the Citizens Committee.
- Mayor Grant stated that the architect had developed three drawings and the Citizens Committee and the Council Committee selected the same drawing.
- Mayor Grant stated that he attend meeting on the Maryland Forward Program on Public Private Partnerships.
- Mayor Grant stated that he met with Mr. Ashton, Acting City Administrator and the former City Attorney Fred Sussman along with a representative from Kratos Infrastructure, LLC.
- Mayor Grant stated that the Mr. Sussman asked the representative questions and the representative answered the questions.
- Mayor Grant had Kratos to present to the City Council and the Council had some apprehension.
- Mayor Grant provided the Council with the background on the Capital Center Boulevard and the County Government building, as they were P3 projects.
- Mayor Grant stated the City put out an RFP to develop the Feggans Center.
- Mayor Grant stated they had a conference with seven companies.
- Mayor Grant stated two of the companies responded to the RFP and Kratos won the bid because they had the money to finance the project.
- Mayor Grant stated this is new as to the way it is being financed.
- Mayor Grant asked the City Council if they had any questions on the Letter of Intent-Seat Pleasant Financing Structure document.
- The City Council had no questions on the Letter of Intent-Seat Pleasant Financing Structure document.
- Mayor Grant stated that there are three areas identified in the Ground Lease that we do not have site control.
- Mayor Grant stated that Greendale/Feggans Center has a public purpose restriction deed, but it can be lifted with a written letter requesting the restriction to be uplifted.
- Mayor Grant stated that the Smiley Residence needs to be purchased and the property located at 6011 Addison Rd has a HUD covenant.
- Mayor Grant stated that Kratos has begun speaking with HUD to have the covenant uplifted.
- Mayor Grant stated that the Public/Private improvements in the senior housing and the Health and Wellness Center.

- Mayor Grant stated that Kratos will lease the land for \$1.00 per year.
- Councilmember Kennedy stated he appreciated the clarification on the Ground Lease.
- Councilwoman Stephenson wanted to know what will happen with the contract if Kratos goes out of business.
- Mayor Grant stated the contract will be void. However, we have litigations to protect the City in the documents.
- Councilwoman Stephenson stated if they are purchased by another company will our terms changed.
- Mayor Grant stated the terms will be renegotiated with the new company.
- Council Porter requested the Council to review the abbreviation of the terms and become familiar with them.
- Mayor Grant stated that under the Master Lease we are responsible for the 5million per year payment.
- Mayor Grant stated that we will have five improved pieces of property including parking.
- Mayor Grant stated the City is responsible for the City Hall annual payment, which may be \$150,000 or more.
- Mayor Grant stated the Community Center will need to be decided if we want Kratos to manage or a similar arrangement, as the previous Activities with renters.
- Mayor Grant stated the Health and Wellness Center with the Urgent Care operating 24 hours a day, 7 days per week.
- Mayor Grant stated the feasibility study will provide information on the sustaining the facilities.
- Mayor Grant stated that the Recreational Center will have two AAU size courts and one NBA size court and other appurtenance.
- Mayor Grant stated they are negotiating with NBA to sell the naming rights.
- Mayor Grant stated that Senior House is needed, as most of the senior housing is full with a waiting list.
- Mayor Grant stated the market study will provide the information to support the need. If not we can change the schematics.
- Mayor Grant stated that nothing is edge in stone.
- Mayor Grant stated the City Hall will be a rental space for an Art Gallery.
- Mayor Grant stated that he is looking for revenue generators to assist with the lease pay back.
- Mayor Grant stated the concept is a long term break through a strategic business plan.

- Councilmember Yeargin wanted to know the amount of the City Hall per year.
- Mayor Grant stated the payments for the City Hall and the Community Center will be half of a million.
- Councilwoman Stephenson wanted to know if the concept of going green will be kept.
- Mayor Grant stated the going green concept will absolutely be kept.
- Councilmember Kennedy wanted to know what will be done with the current City Hall.
- Mayor Grant stated it would become the Police Department.
- Councilmember Kennedy stated a doctor office was interested in the City Hall building.
- Mayor Grant stated we have the Health & Wellness Center.
- Mayor Grant stated if we build a new Police Department it's not an income generator. He stated that you will have Public Works and Public Safety together with vehicle maintenance.
- Mayor Grant stated that the Depositary Trust Agreement will be used to make the payments.
- Councilmember Yeargin wanted to know who will have control.
- Mayor Grant stated both parties will, as the person will be a mutual party selected by both.
- Councilmember Stephenson wanted to know if we needed to hire another Finance person.
- Mayor Grant stated that the City would not need to hire another Finance person for the project.
- Mayor Grant stated the Facilities Management Agreement provides the person to manage the facilities and for the City it will be Public Works.
- Councilmember Yeargin wanted to know who will manage the water.
- Mayor Grant stated it is in the Facilities Management agreement.
- Councilmember Yeargin stated if the water is being recycled the land will need to be sloped.
- Councilmember Simms stated the agreement is not edged in stoned. She stated we can put these things in place.
- Councilmember Stephenson wanted to know if the building will have a security system.
- Councilmember Higgs stated we will make the adjustments in the future.
- Mayor Grant stated it will depend on how much you want to pay.

- Councilmember Simms stated that sometime back the Council was asked to write down what they wanted to see in the building, and now is the time for the council to put their ideas or recommendations in writing.
- Councilmember Raynor stated he has seen buildings start out with the gold standard and in a few years it changed.
- Mayor Grant stated it will depend on what you want to pay, as the cost will be transferred to the tenant.
- Mayor Grant stated the Power Purchase Agreement document is the most important to Kratos.
- Mayor Grant stated Kratos is not a builder or developer. He stated they are an energy company.
- Mayor Grant stated that integrated technology will capture water and produce power to be resold on the grid.
- Mayor Grant stated that the Geo Thermo will go into the ground and be sold on the grid.
- Councilwoman Stephenson wanted to know will Kratos be in charge of the entire City.
- Mayor Grant stated it is only pertaining to the project.
- Councilwoman Stephenson wanted to know if the City will benefit from the energy income they will receive.
- Mayor Grant stated it is not a part of the agreement.
- Councilwoman Stephenson wanted to know if Kratos wanted to sell energy to the residents, if they can.
- Mayor Grant stated they could.
- Mayor Grant stated he wanted all future projects to be built with the energy efficiency on the level of this project.
- Mayor Grant stated the Transaction Summary summarize all of the documents we discussed.
- Councilmember Yeargin wanted to know the condition of the building in 40 years.
- Mayor Grant stated the BIEF's require Kratos to upgrade the technology.
- Councilmember Yeargin wanted to know if the City could sell the energy.
- Mayor Grant stated we cannot sell the energy, as we will have two 25 years options and Kratos own the energy.

4. LEGISLATION

4.1.1. None

5. UNFINISHED BUSINESS


5.1.1. None

6. ANNOUNCEMENTS

6.1.1. Regular Work Session, Monday, April 1, 2013, Seat Pleasant City Hall-
Council Chambers at 6:30p.m.

ADJOURN- The meeting was adjourned at 8:00p.m.

Submitted by,


Dashaun N. Lanham
City Clerk

APPROVED 04/08/13